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**HARBOUR CENTRE DEVELOPMENT  
LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 51



**WHEELOCK AND COMPANY  
LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 20

**MAJOR DISPOSAL AND MAJOR ACQUISITION  
FOR HARBOUR CENTRE DEVELOPMENT LIMITED  
DISCLOSEABLE TRANSACTIONS FOR WHEELOCK AND COMPANY LIMITED**

On 10 April 2009, Harbour Centre entered into the Agreement with, inter alia, Greentown China in relation to the Disposal and the Acquisition. For the Disposal, Harbour Centre has agreed to procure Nanjing Julong to sell and Greentown China has agreed to procure Greentown Property to purchase the Hangzhou Equity Interest and Hangzhou Shareholder's Advancement. For the Acquisition, Greentown China has agreed to procure Greentown Property and Shanghai Luyu to sell, and Harbour Centre has agreed to procure Nanjing Julong to purchase, the Shanghai Equity Interests and Shanghai Shareholders' Advancements.

**Listing Rules Implication to Harbour Centre**

One or more of the applicable percentage ratios for each of the Disposal and the Acquisition in respect of Harbour Centre is/are greater than 25% while all such ratios are less than 75% for the purposes of Rule 14.07 of the Listing Rules, and therefore each of the Disposal and the Acquisition constitutes a major transaction for Harbour Centre.

Under the Listing Rules, each of the Disposal and the Acquisition is required to be subject to approval of shareholders of Harbour Centre. Under Rule 14.44 of the Listing Rules, a wholly-owned subsidiary of Wharf Holdings, holding approximately 70.37% of the issued share capital of Harbour Centre, has given its consent to the Disposal and the Acquisition. Subject to fulfillment of other conditions under Rule 14.44 of the Listing Rules, the written approval from that shareholder of Harbour Centre in lieu of holding a shareholders' meeting is acceptable for approval of the Disposal and the Acquisition.

Nevertheless, a circular containing, among other things, further information relating to the Disposal and the Acquisition will be dispatched to the shareholders of Harbour Centre as soon as reasonably practicable.

### **Listing Rules Implication to Wheelock**

As mentioned above, Wharf Holdings is interested in more than 50% of the issued share capital of Harbour Centre and Wheelock is interested in approximately 50.02% of the issued share capital of Wharf Holdings. It follows that both Wharf Holdings and Harbour Centre are subsidiaries of Wheelock for the purpose of the Companies Ordinance and the Listing Rules.

One or more of the applicable percentage ratios for each of the Disposal and the Acquisition in respect of Wheelock is/are greater than 5% while all such ratios are less than 25% for the purposes of Rule 14.07 of the Listing Rules. Thus each of the Disposal and the Acquisition constitutes a discloseable transaction for Wheelock.

## **THE AGREEMENT**

### **Date of the Agreement**

10 April 2009

### **Parties**

- (1) Harbour Centre;
- (2) Greentown China;
- (3) Nanjing Julong;
- (4) Greentown Property;
- (5) Shanghai Luyu;
- (6) Shanghai Co; and
- (7) Hangzhou Co.

### **Disposal**

Pursuant to the Agreement:

- (1) Harbour Centre agrees to procure Nanjing Julong to sell, and Greentown China agrees to procure Greentown Property to purchase, the Hangzhou Equity Interest; and
- (2) Harbour Centre agrees to procure Nanjing Julong to transfer, and Greentown China agrees to procure Greentown Property to accept, the Hangzhou Shareholder's Advancement,

and the two above transactions shall be completed together.

### **Acquisition**

Pursuant to the Agreement:

- (1) Greentown China agrees to procure Greentown Property and Shanghai Luyu to sell, and Harbour Centre agrees to procure Nanjing Julong to purchase, the Shanghai Equity Interests; and
- (2) Greentown China agrees to procure Greentown Property and Shanghai Luyu to transfer, and Harbour Centre agrees to procure Nanjing Julong to accept, the Shanghai Shareholders' Advancements,

and the two above transactions shall be completed together.

The Disposal and the Acquisition shall also be completed together.

### **Consideration**

The total consideration of the Disposal is RMB1,382.4 million (equivalent to approximately HK\$1,567.6 million), of which RMB400.0 million (equivalent to approximately HK\$453.6 million) constitutes the consideration for the sale of the Hangzhou Equity Interest and RMB982.4 million (equivalent to approximately HK\$1,114.0 million) constitutes the consideration for the transfer of the Hangzhou Shareholder's Advancement.

The total consideration of the Acquisition is RMB1,230.2 million (equivalent to approximately HK\$1,395.1 million), of which RMB141.5 million (equivalent to approximately HK\$160.5 million) constitutes the consideration for the purchase of the Shanghai Equity Interests (of which RMB141.4 million should be paid to Greentown Property and RMB0.1 million should be paid to Shanghai Luyu) and RMB1,088.7 million (equivalent to approximately HK\$1,234.6 million) constitutes the consideration for the transfer of the Shanghai Shareholders' Advancements (of which RMB678.2 million should be paid to Greentown Property and RMB410.5 million should be paid to Shanghai Luyu).

With respect to the Disposal, Greentown Property shall pay Nanjing Julong (a) a deposit of RMB100.0 million upon the signing of the Agreement and (b) an amount of RMB52.2 million on the Completion Date. The remaining portion of the consideration for the Disposal (being RMB1,230.2 million) shall be off-set on the Completion Date against Nanjing Julong's obligation to pay Greentown Property and Shanghai Luyu RMB1,230.2 million as part of the consideration for the Acquisition.

An amount of RMB25.0 million retention money should be paid by Greentown Property to Nanjing Julong on Completion Date. The said amount shall be released on 90 days after the Completion Date to Greentown Property. However, Nanjing Julong has the right to deduct, at the time of releasing the retention money to Greentown Property, from that amount any amount that Greentown Parties shall pay to or compensate Harbour Centre and/or Nanjing Julong.

The amount of the consideration for each of the Disposal and the Acquisition was determined on the basis of normal commercial terms, taking into account the prevailing market conditions and by reference to the original book costs of the relevant assets, and arm's length negotiations between Harbour Centre and Greentown China.

### **Conditions Precedent**

The Disposal and the Acquisition are conditional upon the fulfilment of the following conditions:

1. conditions to be fulfilled by Greentown China:
  - (a) Greentown China having obtained the consents and approvals of its board of directors and its shareholders, pursuant to the relevant requirements in its articles of association and the Listing Rules, in relation to the transactions contemplated and the matters referred to in the Agreement;
  - (b) Every member of the Greentown Parties having obtained all consents of third parties (including governmental authorities), and no laws, regulations, or decisions shall have been proposed or taken by any governmental or official authority, that (1) enjoins, restrains or substantially delays the process or completion of the proposed transactions or (2) affects the operation of Shanghai Co after completion;

- (c) The Greentown Parties having completed the transfer of Shanghai Equity Interests, the registration of the new articles of association of Shanghai Co and the registration of newly appointed legal representative, directors, general manager and supervisors of Shanghai Co as appointed by Harbour Centre at the relevant registration authority. Shanghai Co has become a wholly-owned company of Nanjing Julong with limited liability. New business license of Shanghai Co having been issued;
- (d) Shanghai Co having not less than RMB180.0 million having been provided for the repayment of principal, interest, compensation and other relevant expenses in relation to the loans owed to China Construction Bank and 华宝信托有限责任公司 (Huabao Trust Company Limited\*);
- (e) As at the Completion Date, every member of the Greentown Parties not having materially breached any representation and warranty it has given in the Agreement;
- (f) As at the Completion Date, there not having occurred any Material Adverse Effect Event;
- (g) Shanghai Co having received the land certificate of its Xinjiangwancheng project stating that the shareholder of that company as Nanjing Julong; and

2. conditions to be fulfilled by Harbour Centre:

- (h) Harbour Centre having obtained the consents and approvals of its board of directors and its shareholders, pursuant to the relevant requirements in its articles of association and the Listing Rules, in relation to the transactions contemplated and the matters referred to in the Agreement;
- (i) Save as the consent of China Construction Bank in Hangzhou and provided that Greentown Parties have agreed that Nanjing Julong is not required to obtain the consent from China Construction Bank, each of Harbour Centre and Nanjing Julong having obtained all consents of third parties (including governmental authorities, if required), and no laws, regulations, or decisions shall have been proposed or taken by any governmental or official authority, that enjoins, restrains or substantially delays the process or completion of the Acquisition; and
- (j) As at the Completion Date, every member of Harbour Centre not having materially breached any representation and warranty it has given in the Agreement.

**Undertakings from Greentown Property, Shanghai Luyu, Nanjing Julong, Shanghai Co and Hangzhou Co**

According to the Agreement, Greentown Property and Shanghai Luyu confirm and undertake the following:

- (1) Greentown Property and Shanghai Luyu confirm and agree the contents of the Agreement;
- (2) Greentown Property and Shanghai Luyu confirm and agree to perform the obligations as required under the Agreement;
- (3) Greentown Property and Shanghai Luyu confirm and agree that they will adopt necessary measures and sign necessary documents in order to ensure the implementation of the Agreement, and further undertake that they will not involve in any matter that will affect the rights and obligations of Harbour Centre and Nanjing Julong as stipulated under the Agreement; and
- (4) Shanghai Luyu confirms and undertakes the set-off arrangement in relation to the Acquisition and the Disposal under the Agreement.

According to the Agreement, Nanjing Julong confirms and undertakes the following:

- (1) Nanjing Julong confirms and agrees the contents of the Agreement;
- (2) Nanjing Julong confirms and agrees to perform the obligations as required under the Agreement; and
- (3) Nanjing Julong confirms and agrees that it will adopt necessary measures and sign necessary documents in order to ensure the implementation of the Agreement, and further undertake that it will not involve itself in any matter that will affect the rights and obligations of Greentown China, Greentown Property and/or Shanghai Luyu as stipulated under the Agreement.

According to the Agreement, Shanghai Co confirms and undertakes the following:

- (1) Shanghai Co confirms and agrees the arrangement in relation to the transfer of Shanghai Equity Interest and Shanghai Shareholders' Advancements by Greentown Property and Shanghai Luyu to Nanjing Julong as stipulated under the Agreement; and
- (2) Shanghai Co confirms and agrees that it will adopt necessary measures and sign necessary documents in order to ensure the implementation of the transfer of Shanghai Equity Interests and Shanghai Shareholders' Advancements as stipulated under the Agreement.

According to the Agreement, Hangzhou Co confirms and undertakes the following:

- (1) Hangzhou Co confirms and agrees the arrangement in relation to the transfer of Hangzhou Equity Interest and Hangzhou Shareholder's Advancement by Nanjing Julong to Greentown Property as stipulated under the Agreement; and
- (2) Hangzhou Co confirms and agrees that it will adopt necessary measure and sign necessary documents in order to ensure the implementation of the transfer of Hangzhou Equity Interest and Hangzhou Shareholder's Advancement as stipulated under the Agreement.

## **Completion**

On the basis that each condition having been fulfilled, the completion shall be conducted on the day where all conditions (those not being waived by Harbour Centre in writing) having been fulfilled at the office of Shanghai Co or other time and venue as may be agreed between Harbour Centre and Greentown China.

## **INFORMATION ON HANGZHOU CO**

Hangzhou Co is a company established in the Hangzhou City of the PRC on 23 November 2007 with limited liability. Its business scope includes property development, operation and management. The primary project it undertakes is the Hangzhou Project. Currently, Nanjing Julong holds 40% of the equity interests in Hangzhou Co and the remaining 60% equity interests is held by wholly-owned subsidiaries of Greentown China. Its registered capital is of RMB1,000.0 million which has been fully contributed by its shareholders.

The net book values as at 31 December 2008 of the Hangzhou Equity Interest and the Hangzhou Shareholder's Advancement in the books of Harbour Centre was approximately HK\$41.6 million and HK\$1,570.2 million, respectively. The net losses both before and after taxation and extraordinary items attributable to the Hangzhou Equity Interest were RMB0.4 million and RMB2.9 million for the financial years ended 31 December 2007 and 31 December 2008, respectively.

## **INFORMATION ON SHANGHAI CO**

Shanghai Co is a company registered in Shanghai of the PRC on 3 February 2008 with limited liability. Its business scope includes property development and operation on the land obtained by it, property management and indoor decoration. The only project it undertakes is the Shanghai Project. Currently, 99.9% of equity interests in Shanghai Co is held by Greentown Property and the remaining 0.1% is held by Shanghai Luyu. Its registered capital is of RMB289.5 million which has been fully contributed by its shareholders.

As far as the directors of Harbour Centre are aware, the net book values as at 31 December 2008 of the Shanghai Equity Interests and the Shanghai Shareholders' Advancements in the books of Greentown China was approximately HK\$328.3 million and HK\$1,198.3 million, respectively, and no profit or loss of Shanghai Co was recognized in the books of Greentown China for the financial year ended 31 December 2008.

## **INFORMATION ON HARBOUR CENTRE**

Harbour Centre and its subsidiaries mainly engage in ownership of hotels and properties and investment. Since September 2007, Harbour Centre has embarked on a substantial business initiative in taking on property investments in China and has acquired several sites in four different cities – Changzhou, Suzhou, Chongqing and Hangzhou in China.

## **INFORMATION ON WHEELLOCK**

The principal business activities of Wheelock and its subsidiaries are ownership of properties for development and letting, investment holding, container terminals as well as communications, media and entertainment.

## **INFORMATION ON GREENTOWN CHINA**

Greentown China, together with its subsidiaries, primarily engages in property development in China with significant operations in various cities in Zhejiang Province of China such as Hangzhou, Ningbo, Wenzhou, Taizhou and Shaoxing. Its residential property development is also extended to other important cities in Yangtze River Delta including Shanghai, Nanjing, Wuxi and Nantong, important cities in Bohai Rim Economic Belt including Qingdao and Jinan, Beijing and other provincial cities such as Hefei of Anhui Province, Zhengzhou of Henan Province and Changsha of Hunan Province of China.

To the best of the knowledge, information and belief of the directors of Harbour Centre, having made all reasonable enquiry, Greentown China and its ultimate beneficial owners are third parties independent of Harbour Centre and its connected persons (as defined in the Listing Rules).

To the best of the knowledge, information and belief of the directors of Wheelock, having made all reasonable enquiry, Greentown China and its ultimate beneficial owners are third parties independent of Wheelock and its connected persons (as defined in the Listing Rules).

## **REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE DISPOSAL**

Greentown China is the joint venture partner of Harbour Centre in respect of the Hangzhou Project. For facilitating Greentown China's planned equity financing transaction comprising Hangzhou Co on a 100% basis, Harbour Centre has agreed to co-operate with Greentown China under a share swap arrangement via the Agreement under which Harbour Centre will sell the Hangzhou Equity Interest and Hangzhou Shareholder's Advancement to Greentown China and Greentown China will transfer the Shanghai Equity Interests and Shanghai Shareholders' Advancements to Harbour Centre.

The directors of Harbour Centre consider that it is in the commercial interests of the Harbour Centre group to take the opportunity of the share swap arrangements via the Agreement to exit a 40% equity interest in a project in exchange for fully owning another project, thereby consolidating and strengthening its management control. Furthermore, the directors of Harbour Centre and Wheelock consider that the 100% interest in the Shanghai Co acquired by the Harbour Centre group under the Agreement is a viable investment, which enhances and/or replenishes the development landbank of, and is therefore beneficial to the Harbour Centre group.

Based on the net book value as at 31 March 2009 of the Hangzhou Equity Interest and the Hangzhou Shareholder's Advancement as described above, Harbour Centre would recoup the book cost with no gain and no loss.

The amount of proceeds of the Disposal will exceed the amount of payment for the Acquisition by RMB152.2 million (equivalent to approximately HK\$172.5 million). Harbour Centre intends to use such net amount as general working capital and this will enhance the cashflow position of, and is therefore beneficial to, the Harbour Centre group.

On the basis that the Acquisition and the Disposal are mutually conditional on each other and each of them is an integral part of the same deal under the Agreement, the directors of both Harbour Centre and Wheelock consider that the terms of the Disposal together with the Acquisition are on normal commercial terms, fair and reasonable and in the interests of Harbour Centre and Wheelock, respectively, and their respective shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

### **Harbour Centre**

One or more of the applicable percentage ratios for each of the Disposal and the Acquisition in respect of Harbour Centre is/are greater than 25% while all such ratios are less than 75% for the purposes of Rule 14.07 of the Listing Rules, and therefore each of the Disposal and the Acquisition constitutes a major transaction for Harbour Centre.

Under the Listing Rules, each of the Disposal and the Acquisition is required to be subject to approval of shareholders of Harbour Centre. Under Rule 14.44 of the Listing Rules, a wholly-owned subsidiary of Wharf Holdings, holding approximately 70.37% of the issued share capital of Harbour Centre, has given its consent to the Disposal and the Acquisition. Subject to fulfillment of other conditions under Rule 14.44 of the Listing Rules, the written approval from that shareholder of Harbour Centre in lieu of holding a physical shareholders' meeting is acceptable for approval of the Disposal and the Acquisition.

Nevertheless, a circular containing, among other things, further information relating to the Disposal and the Acquisition will be dispatched to the shareholders of Harbour Centre as soon as reasonably practicable.

### **Wheelock**

As mentioned above, Wharf Holdings is interested in more than 50% of the issued share capital of Harbour Centre and Wheelock is interested in approximately 50.02% of the issued share capital of Wharf Holdings. It follows that both Wharf Holdings and Harbour Centre are subsidiaries of Wheelock for the purpose of the Companies Ordinance and the Listing Rules.

One or more of the applicable percentage ratios for each of the Disposal and the Acquisition in respect of Wheelock is/are greater than 5% while all such ratios are less than 25% for the purposes of Rule 14.07 of the Listing Rules. Thus each of the Disposal and the Acquisition constitutes a discloseable transaction for Wheelock.

## DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the following respective meanings:

“Acquisition”	(a) the proposed acquisition of the Shanghai Equity Interests by Nanjing Julong from Greentown Property and Shanghai Luyu and (b) the proposed transfer of the Shanghai Shareholders’ Advancements from Greentown Property and Shanghai Luyu to Nanjing Julong, pursuant to the Agreement
“Agreement”	the overall agreement dated 10 April 2009 entered into between Harbour Centre, Greentown China, Nanjing Julong, Greentown Property, Shanghai Luyu, Shanghai Co and Hangzhou Co in relation to the Acquisition and the Disposal
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Completion Date”	the date on which the Acquisition and the Disposal are completed
“Disposal”	(a) the proposed disposal of the Hangzhou Equity Interest by Nanjing Julong to Greentown Property and (b) the proposed transfer of the Hangzhou Shareholder’s Advancement from Nanjing Julong to Greentown Property, pursuant to the Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Greentown China”	Greentown China Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3900)
“Greentown Parties”	Greentown China, Greentown Property and Shanghai Luyu collectively
“Greentown Property”	绿城房地产集团有限公司 (Greentown Property Group Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Greentown China
“Hangzhou Co”	杭州绿城海企房地产开发有限公司 (Hangzhou Greentown Haiqi Property Development Company Limited*), a company established in the PRC with limited liability
“Hangzhou Equity Interest”	all equity interests in Hangzhou Co held by Nanjing Julong, which accounts for 40% of the equity interests in Hangzhou Co, together with all legal rights and benefits attached to such equity interest
“Hangzhou Project”	the project solely owned and developed by Hangzhou Co in relation to the development of a land lot located at Lanseqianjiang of the Hangzhou City of the PRC

“Hangzhou Shareholder’s Advancement”	the shareholder’s advancement made by Nanjing Julong to Hangzhou Co in the principal amount of RMB982.4 million and all interests (if any) accrued up to the Completion Date, together with all legal rights and benefits attached to such shareholder’s advancement
“Harbour Centre”	Harbour Centre Development Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 51)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Material Adverse Effect Event”	any event (which takes place during the period between the execution of the Agreement and the Completion) that has given rise or likely to give rise material adverse effect to the business of Shanghai Co, including but not limited to (1) strike, occurrence of major dispute or being informed of the possibility of occurrence of major dispute; (2) Shanghai Co being involved in any litigation or arbitration; or (3) any substantial asset of Shanghai Co being destroyed or damaged as defined in the Agreement
“Nanjing Julong”	南京聚龙房地产开发有限公司 (Nanjing Julong Property Development Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Harbour Centre
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Co”	上海绿源房地产开发有限公司 (Shanghai Luyuan Property Development Company Limited*), a company established in the PRC with limited liability
“Shanghai Equity Interests”	all equity interests in Shanghai Co held by Greentown Property which accounts for 99.9% of the equity interests in Shanghai Co, and all equity interests in Shanghai Co held by Shanghai Luyu which accounts for 0.1% of the equity interests in Shanghai Co, together with all legal rights and benefits attached to such equity interests
“Shanghai Luyu”	上海绿宇房地产开发有限公司 (Greentown Luyu Property Development Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Greentown China
“Shanghai Project”	the project solely owned and developed by Shanghai Co in relation to the development of the land lot D1 of Xinjiangwancheng of Yangpu District of the Shanghai City of the PRC
“Shanghai Shareholders’ Advancements”	the shareholders’ advancements made by Greentown Property and Shanghai Luyu to Shanghai Co in the aggregate principal amount of RMB 1,088.7 million and all interests (if any) accrued up to the Completion Date, together with all legal rights and benefits attached to such shareholders’ advancements

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wharf Holdings”	The Wharf (Holdings) Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 4)
“Wheelock”	Wheelock and Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 20)

*\* For identification purpose only.*

For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.000 = HK\$1.134.

By order of the directors of  
**HARBOUR CENTRE DEVELOPMENT LIMITED**  
**Wilson W. S. Chan**  
Company Secretary

By order of the directors of  
**WHEELOCK AND COMPANY LIMITED**  
**Wilson W. S. Chan**  
Company Secretary

Hong Kong, 10 April 2009

*As at the date of this announcement, the board of Harbour Centre comprises Mr. Stephen T. H. Ng, Mr. T. Y. Ng, Mr. Paul Y. C. Tsui and Mr. Clement K. H. Wong, together with three independent non-executive Directors, namely, Mr. H. M. V. de Lacy Staunton, Mr. Michael T. P. Sze and Mr. Brian S. K. Tang..*

*As at the date of this announcement, the board of Wheelock comprises Mr. Peter K. C. Woo, Mr. Gonzaga W. J. Li, Mr. Stephen T. H. Ng and Mr. Paul Y. C. Tsui, together with three independent non-executive directors, namely, Mr. Alexander S. K. Au, Mr. B. M. Chang and Mr. Kenneth W. S. Ting.*